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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 10/05/07

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Prime Minister's schedule, October 3

NIKKEI (Page 2) (Full)
October 4, 2007

11:32

Met Deputy Foreign Minister Yabunaka at the Kantei.

13:02

Attended a Lower House plenary session.

17:00

Met at the Kantei with Deputy Chief Cabinet Secretary Ono. Followed by Economy and Fiscal Policy Minister Ota and others.

18:38

Returned to his private residence in Nozawa.

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4) Poll on N. Korea priority policy: Abductions at 76 PERCENT in Japan, 17 PERCENT in S. Korea

YOMIURI (Page 2) (Full)
October 4, 2007

The Yomiuri Shimbun recently conducted a joint public opinion survey with the Korea Times to probe public attitudes in Japan and South Korea on North Korea issues. In the survey, respondents were asked what they thought Japan, China, and South Korea should tackle together on a priority basis. In response to this question (for multiple answers), 77 PERCENT in Japan picked "stop North Korea's nuclear development," topping all other answers. In South Korea as well, this answer topped all other answers at 68 PERCENT .

In Japan, those who picked "resolve the abductions of Japanese and South Korean nationals" accounted for 76 PERCENT . In South Korea, however, the proportion of those who gave this answer was only 17 PERCENT . The sensitivity of threat to North Korea, which conducted a nuclear test in October last year, was high both in Japan and in South Korea. However, there was a perception gap between the Japanese and South Korean public over the abductions issue.

The third-ranking answer in Japan was "stop North Korea's missile development and launch" (62 PERCENT). In South Korea, the second-ranking answer was "missile development" (44 PERCENT). The third-ranking answer in South Korea suggested the need for Japan and South Korea to "normalize diplomatic relations with North Korea" (35 PERCENT).

Respondents were also asked if they thought North Korea would abandon its nuclear programs. To this question, those who answered "no" totaled 82 PERCENT in Japan, and those who said "yes" totaled 15 PERCENT . As seen from these figures, most people in Japan were pessimistic. In South Korea, those who chose "no" totaled 58 PERCENT , with "yes" totaling 41 PERCENT .

On the question of the public impression of North Korea, "bad" totaled 98 PERCENT in Japan and 63 PERCENT in South Korea.

The survey was conducted in Japan and South Korea from late August through early September on a face-to-face basis with men and women aged 20 and over.

5) Machimura hails six-party accord

ASAHI (Page 7) (Full)
October 4, 2007

Chief Cabinet Secretary Machimura yesterday hailed the statement of agreement released after the latest round six-party talks, declaring: "The document is laudable. Under the accord, North Korea

will declare all its nuclear programs by the end of the year."

According to a source connected to the six-party talks, a clause obligating North Korea to declare its nuclear programs was made clearer than the final draft that China had originally presented. A senior Foreign Ministry official, commenting on this, said: "A heavier obligation has been placed on Pyongyang."

Foreign Minister Komura also commented on the accord last night: "A

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better document was worked out, compared with that in the drafting process. What is important is to have North Korea deliver on its promises." On Japan's economic sanctions against North Korea, Komura indicated the government would continue the sanctions for the time being, saying: "Japan will not remove the sanctions immediately. We must carefully watch what move the North will make."

A senior Foreign Ministry official commented on the issue of whether the United States would remove North Korea from its list of terrorism-sponsoring nations: "The document only says that the US will begin the process. It contains no details." However, North Korea's understanding is that if it disables three nuclear facilities at Yongbyon, the US will be able to delist it. A senior Foreign Ministry official said: "We have the impression that the delisting process has moved half a step forward."

In reference to a pledge made in the consensus documents issued in the six-party talks in February and this time to provide the North with one million tons of heavy oil, Komura renewed the government's stance of not joining the aid program as long as there is no progress on the abduction issue.

6) Japan worries US may delist North Korea, putting abduction issue on backburner

MAINICHI (Page 3) (Full)
October 4, 2007

The Japanese government has favorably taken the agreement reached in the latest six-party talks, focusing on the deadline set at Dec. 31 for the completion of disablement of North Korea's nuclear facilities and declaration of all its nuclear programs. Chief Cabinet Secretary Nobutaka Machimura said: "An accord satisfactory to Japan was worked out in the final stage." However, regarding the United States' commitment to begin the process of delisting North Korea as a state sponsor of terrorism, there is concern that the US may hurriedly delist North Korea, separating it from the issue of North Korea's past abductions of Japanese nationals. The Fukuda administration, which places importance on both pressure and dialogue, will inevitably be hard pressed to make a difficult response.

Speaking before reporters at the Prime Minister's Office last night, Machimura commented on the delisting issue: "It depends on to what extent Pyongyang moves ahead with fulfilling its obligations. It would be strange if the North were removed automatically at some point." Foreign Minister Komura also said: "North Korea is required to declare all of its programs," indicating that Pyongyang should also declare uranium-enrichment and nuclear development programs.

In a plenary session held in late September, Japan insisted that the North disable all its nuclear facilities and nuclear development programs. On the delisting issue, Japan demanded that a complete settlement of the abduction issue should be made a precondition. A senior Foreign Ministry official praised to some extent the fact that the accord did not specify a clear-cut date for that, saying: "Although we can not give it full marks, Japan's stance was reflected in it."

Even so, concern persists that if the second phase in the denuclearization process moves forward, the US might delist the North, putting the abduction issue on the backburner. With respect

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to Japan-North Korea relations, as well, the accord refers to (North Korea's) promise to implement specific action in order to settle past accounts and pending bilateral issues. Reflecting this, one Japanese representative indicated Japan's willingness to speed up adjusting the timetable for the bilateral working group on normalization of diplomatic ties, but the situation does not warrant any optimism.

7) One step forward on North Korea's denuclearization

ASAHI (Page 7) (Full)
October 4, 2007

By Hajime Izumi, professor at the University of Shizuoka

The contents of the statement of agreement coming out of the six-party talks was largely anticipated. The document obligates North Korea to disable three of its nuclear facilities by Dec. 31. This obligation can be taken as a move one step forward toward a settlement of the issue of North Korea's denuclearization and as such, a visible achievement.

The accord further notes that North Korea has agreed to provide a complete and correct declaration of all its nuclear programs. That, however, would be technically difficult to complete by Dec. 31.

The word "all" would include not only plutonium but uranium-enrichment nuclear development programs. In addition, it is necessary to verify what the North declares. Considering this, we must say that the process to realize the agreement will start by the end of the year. In this respect, I think we have still a long way to go. We should not relax our efforts.

Additionally, the agreement states that the United States would begin the process of removing North Korea from its list of terrorist-sponsoring nations if Pyongyang moves ahead with its obligations. The obligations on North Korea include positive responses to such issues as the Yodo Airliner hijack incident and abductions of Japanese nationals by North Korean agents. North Korea will be under pressure now to respond promptly.

The document stresses "strengthened relations of mutual trust" in referring to relations between the US and North Korea. This is the first time under the Bush administration for such a positive expression to be used, and it indicates that the bilateral relationship has improved considerably.

In describing relations between Japan and North Korea, the document uses this expression: "make efforts to normalize diplomatic relations at an early date." Attention should be focused on the words "at an early date." This shows that Japan-DPRK relations, too, have begun to move forward.

8) Scope column: Japan decides to take sanction measures against Burma in effort to seek a full account of death of Japanese reporter

TOKYO SHIMBUN (Page 2) (Full)
October 4, 2007

Nakahiro Iwata

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The government yesterday decided to take sanction measures against Burma (Myanmar), such as placing a freeze on part of its humanitarian assistance, in the wake of photojournalist Kenji Nagai having been shot by a Burmese soldier. In the past Tokyo had been cautious about imposing sanctions, but it has now judged it is necessary to indicate its strong will to Burma and to pressure the military junta to investigate the incident. The two countries are far apart when it comes to accounts of the incident.

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Foreign Minister Masahiko Komura said this of sanction measures at a press briefing: "Japan's economic cooperation toward Burma has been limited to humanitarian aid, but I want to cut it even further." As areas in which Japan will suspend aid, Komura cited a construction plan for a human resources development center (for which 550 billion yen has been earmarked in the current budget) for such purposes as Japanese language education.

Since the military junta came to power after a coup in 1988, Japan has suspended yen loans under its official development assistance (ODA) program, and it also has suspended any new economic-cooperation project since pro-democracy leader Aung San Suu Kyi was put under house arrest.

Unlike the United States and European nations, which have put pressure on the military junta by slapping economic sanctions on it, Japan has continued humanitarian aid as an exception. In 2006, Japan offered a total of 3 billion yen in grant aid cooperation and technical cooperation in order to support, for instance, polio vaccination and projects against narcotics and poverty.

These measures taken by Japan had been in part aimed at urging the military junta to turn the country into a democracy and improve the current situation of human rights through repeatedly holding a dialogue. Japan's deep friendship with Burma in historical and cultural terms had also affected its policy toward Burma.

Japan took the above measures even though it knows China is the largest aid donor to Burma. Chief Cabinet Secretary Nobutaka Machimura said: "If we drive Burma, an ASEAN member, into a corner and it moves even closer to China, it will become difficult to keep Southeast Asia in a stable situation."

Nonetheless, the government has now decided to impose sanctions on Burma. Behind this decision is the government's judgment that the military junta is unwilling to investigate the incident of the death of a Japanese journalist. The government continued to insist that the death of the journalist was accidental even when Deputy Foreign Minister Mitoji Yabunaka was sent to Burma to lodge a protest and demand an investigation of the incident.

However, many in Japan take the view that if humanitarian aid is suspended, "That would deal a blow to the people of Burma, while the military junta would not be affected," according to a senior Foreign Ministry official. Taking this into account, the government intends to carefully select projects to be frozen with Foreign Minister Komura noting, "It's no good to suspend such projects that are directly beneficial to the public."

Yet, it is unavoidable that traditionally friendly relations between Japan and Burma will now grow cool.

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9) Japan to remake policy toward Burma following decision to freeze part of aid to Burma

ASAHI (Page 4) (Slightly abridged)
October 4, 2007

Kazuto Tsukamoto

Will Japan review its previously friendly ties with Burma (Myanmar) though official development assistance (ODA) or will it maintain the dialogue line while continuing aid? Tokyo has now decided to put a freeze on part of humanitarian aid to Burma. This means Japan's policy toward Burma has come to a turning point. Japan has begun looking for ways to rebuild its policy toward Burma in a way different from the United States and European nations, which have cut off relations with the Burmese military junta, and China, which has been boosting its presence owing to massive aid to Burma.

At the Prime Minister's Official Residence late yesterday, Prime Minister Fukuda admitted that the government began reconsidering its previous policy toward Burma, telling reporters: "I want the Foreign Ministry to fully study what (humanitarian) aid projects can be cut

or whether it is good to cut them."

In the past Japan had followed a unique policy toward Burma, keeping the door for dialogue open to the military junta unlike the US and European nations, which have assumed a tough stance by imposing economic sanctions on Burma. But in the wake of the recent shooting death of photojournalist Kenji Nagai in Burma, Tokyo has been forced not only by the international community but also by the Japanese public to assume a strong position against the military junta. Japan has come to a turning point in its policy toward Burma.

Japan's economic ties with Burma, for instance, in trade, have been on the decline in recent years. Its official development assistance (ODA), as well, has been limited to emergency humanitarian aid and personnel training contributing to democratization. When it comes to sanctions against Burma, "What Japan can do is limited," a senior Foreign Ministry official said.

After being briefed by Deputy Foreign Minister Mitoji Yabunaka, who just returned home from Burma, Foreign Minister Komura reportedly decided to change the previous aid policy, noting, "It's unacceptable if we do not take any action despite the death of a Japanese national. We must cut our aid, albeit slightly."

The Foreign Ministry will more closely examine the projects of high urgency out of the grant aid and technical cooperation programs to be implemented. At the same time, it intends to continue its steady effort to hold dialogue with the military junta while working in close cooperation with the international community.

10) Japanese and Russian foreign ministers exchange views on resolving the Northern Territories issue

TOKYO SHIMBUN (Page 2) (Full)
October 4, 2007

Foreign Minister Masahiko Komura late yesterday held a telephone conversation with Russian Foreign Minister Lavrov in which he said: "It is essential to resolve the (Northern) Territories issue. I want

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to continue my efforts to find a solution acceptable to both sides." In response, Lavrov said, "We have no intention of freezing the peace treaty issue. We really hope to resolve (the territory) issue."

Komura underscored: "Strengthening Japan-Russia relations would contribute to improving the strategic environment in the Asia-Pacific region." Lavrov replied: "We must bring to realization cooperation in a new area, including cooperation in the Far East and East Siberia." Both leaders confirmed that Lavrov would visit Japan in late October.

11) Fukuda calls for discussions on new antiterror law

ASAHI (Page 1) (Abridged)
October 4, 2007

The Diet has now entered into a battle of words in earnest. In the House of Representatives, the ruling and opposition benches kicked off their parliamentary debate yesterday with questions from those representing their respective political parties. In his parliamentary reply, Prime Minister Fukuda underscored the need to continue the Maritime Self-Defense Force's current refueling activities in the Indian Ocean in order for Japan to fulfill its international responsibility in the war on terror. The MSDF's refueling mission in the Indian Ocean is based on the Antiterrorism Special Measures Law, which is due to run out on Nov. 1. In this regard, Fukuda said the government would like to work out the newly planned legislation as soon as possible to show its outline to the public, including the opposition parties.

12) Main points from Oct. 3 Diet interpellations

ASAHI (Page 4) (Excerpts)
October 4, 2007

Foreign and security affairs

Bunmei Ibuki (Liberal Democratic Party): I would like to see the government also begin discussions with the opposition parties on new legislation (for continuing the refueling mission in the Indian Ocean).

Prime Minister Yasuo Fukuda: We will speedily produce an outline to present it to the general public, including the opposition parties.

Yukio Hatoyama (Democratic Party of Japan): The Defense Ministry has corrected the amount of fuel supplied to a US supply vessel by the Maritime Self-Defense Force in 2003 from about 200,000 gallons to 800,000 gallons. I want the government to thoroughly disclose facts about SDF activities overseas, including the refueling mission.

Fukuda: In collecting refueling data back then, the Maritime Staff Office mistook the volume provided to the US supply vessel for that to another ship. It was a clerical mistake. I feel it was regrettable that such a mistake occurred. I have ordered the defense minister to take thorough measures to prevent any more clerical mistakes. We must give thought to the possibility that disclosing MSDF activities might have adverse effects on the operations of the SDF and foreign forces. We will make efforts to disclose as much information as possible by obtaining the understanding of other countries.

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Hatoyama: Our party is opposed to continuing the MSDF mission that lacks a UN resolution.

Fukuda: All UN members are required to take appropriate measures to prevent international terrorism based on UN Resolution 1368. Japan's refueling operations are also based on that UN Security Council resolution.

Hatoyama: What is your perception of the current situation in Afghanistan and do you have any exit strategy?

Fukuda: In Afghanistan, the process of building a system of government is over. Efforts are being made for high economic growth and improved educational and medical systems and infrastructure, and refugees are returning to the country, as well. The Afghanistan government is also endeavoring to improve security under the assistance of multinational forces. At the same time, the war on terrorism, a tough and long-term effort, is continuing. In close cooperation with the international community, Japan will continue extending reconstruction assistance to eliminate poverty and other factors contributing to terrorism.

Hatoyama: Is the government prepared to make efforts for the democratization of Burma (Myanmar)?

Fukuda: It was regrettable that a Japanese national was killed. We are concerned about the democratization of Burma. We are working on Burma to settle the situation through talks instead of force. We will swiftly and persistently work on that country in collaboration with the international community.

Hatoyama: To settle the abduction issue, what measures are you going to take?

Fukuda: We will make maximum efforts to bring all abductees back to Japan, settle the unfortunate past, and normalize diplomatic relations. We will urge North Korea to take concrete steps to resolve the abduction issue, while holding serious talks with the North and working close with concerned countries, including the United States, through the six-party talks and other venues.

13) DPJ's Nagatsuma presents 80 questions to Prime Minister Fukuda - called "unprecedented"

Akira Nagatsuma, deputy policy chief of the main opposition Democratic Party of Japan (DPJ), asked about 80 questions of Prime Minister Yasuo Fukuda during Diet interpellations yesterday. It is unprecedented for a lawmaker to ask as many as 80 questions regarding the prime minister's Diet policy speech, said to a source in the Lower House. Fukuda spent 40 minutes answering the questions, exceeding Nagatsuma's allocated time.

It has been standard practice for party representatives to question the prime minister's about basic political stances. Nagatsuma, however, raised minutely detailed questions, centering on the pension issue.

Fukuda answered all his questions, however. Chief Cabinet Secretary

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Nobutaka Machimura made a sympathetic comment: "Seeing the prime minister from the side, I felt sorry for him."

After the Lower House plenary session, Nagatsuma told reporters:

"Since the prime minister's policy speech was full of abstractions, I asked him about specific figures and date. His answers were also abstract so that the actual meaning of his words could not be understood."

He then gave notice he would grill Fukuda further, saying, "I will ask him more specific questions during committee meetings."

14) Government, ruling parties to set term of new antiterrorism legislation at one year

MAINICHI (Page 2) (Full)
October 4, 2007

The government and ruling parties decided yesterday to set the term of new antiterrorism legislation intended to continue the Maritime Self-Defense Force's refueling mission in the Indian Ocean at one year and obligate the MSDF to report to the Diet every six months. They are also considering halting the refueling service to supply vessels of the United States and other countries and stipulating in the legislation to limit its service to destroyers and cruisers. The ruling bloc project team plans to finalize the outline of the legislation today to brief on it at a meeting tomorrow of the Diet affairs chiefs of the ruling and opposition parties.

The government had initially presented the ruling parties with a plan to set the term of deployment at two years, but the New Komeito insisted on one year, citing solid civilian control. The government and Liberal Democratic Party eventually concurred with the New Komeito plan. The government has come up with the idea of removing the supply vessels from the MSDF refueling list in response to the allegation that the fuel provided to a US supply vessel was used in the Iraq war.

15) Gov't mulls stopping fuel supply to supply vessels; Defense Ministry cautious

SANKEI (Page 3) (Full)
October 4, 2007

The government is now beginning to consider stopping the Maritime Self-Defense Force's fuel supply services for multinational forces' supply vessels in the Indian Ocean, sources said yesterday. The MSDF's fuel supply to those foreign naval supply vessels there accounts for nearly 60 PERCENT of the MSDF's refueling services in the Indian Ocean. In this regard, opposition parties say Japanese fuel supplied to a US aircraft carrier through a US supply vessel was used for operations in Iraq. The government is therefore looking to rule out the possibility of indirect refueling in a newly planned legislative measure, which is to replace the current time-limited antiterror law. This is aimed at dispelling suspicions over such indirect refueling. Meanwhile, there are also cautious arguments within the Defense Ministry, with one of its officials saying it means rejecting the MSDF's activities in the past. Chief Cabinet

Secretary Nobutaka Machimura, meeting the press yesterday, indicated

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that the government would positively consider excluding supply vessels from those subject to MSDF refueling services. "That's one

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idea if their operation is possible as a whole," the top government spokesman said. The government will specify such a course of action in the new legislation. At the same time, the Japanese government is also coordinating with the governments of foreign countries whose naval vessels are refueled by the MSDF to stipulate it in the Japanese government's exchanges of notes with them.

A senior official of the Defense Ministry explained yesterday afternoon why the MSDF will stop refueling supply vessels. "That's because there is now less need," this official said. One staff officer of the Self-Defense Forces, however, raised a question about halting the MSDF's fuel supply services to foreign naval supply vessels. "If we stop it just because the opposition parties said that, the MSDF's activities in the past will be viewed as mistaken," the SDF officer noted. According to the Defense Ministry, the MSDF, which began its Indian Ocean refueling activities in December 2001, refueled foreign vessels with 484,000 kiloliters up until Aug. 30, and 267,000 kiloliters or about 55 PERCENT of that fuel supply went to US and British supply vessels. The MSDF conducted a total of 105 refueling services for foreign vessels until that time, including 88 services for them before the Iraq war started in March 2003. In 2003 and the following fiscal years, the MSDF conducted no more than 10 fuel supply services to them.

16) DPJ will submit bill abolishing Iraq Special Measures Law if government presents new antiterrorism bill

YOMIURI (Page 4) (Full)
October 4, 2007

The largest opposition Democratic Party of Japan (DPJ) decided yesterday to immediately present to the House of Councillors its own bill to abolish the Iraq Special Measures Law to support Iraq reconstruction if the government submits to the House of Representatives new legislation enabling the Maritime Self-Defense Force to continue its refueling mission in the Indian Ocean.

The government-drafted legislation features the MSDF operation to provide US and British ships engaging in the terrorism mop-up operations in and around Afghanistan. The DPJ's bill to abolish the Iraq law is aimed at withdrawing Air Self-Defense Force troops deployed in Iraq. Therefore the regions to which the two bills subjected differ. The DPJ, however, intends to pursue the appropriateness of SDF oversea dispatch, alleging the MSDF might have provided fuel to a US aircraft carrier engaging in the Iraq.

17) DPJ divided over Ozawa's statement about ISAF participation

YOMIURI (Page 4) (Full)
October 4, 2007

Democratic Party of Japan (DPJ) President Ichiro Ozawa writing for the party's organ paper took a positive stance about Japan participating in the International Security Assistance Force (ISAF) in Afghanistan. Ozawa appears to be aiming at securing public understanding for his party's opposition to the continued refueling mission by the Maritime Self-Defense Force (MSDF) in the Indian Ocean by stressing the DPJ's positive stance toward making an international contribution.

Ozawa explained the reason for his opposition to the MSDF refueling mission:

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"The war on terrorism in Afghanistan began with an armed attack by the United States, declaring it a self-defense war. The Constitution

prohibits Japan from dispatching the Self-Defense Forces (SDF) overseas for the sake another country's use of the right of self-defense."

He took the view that the MSDF refueling mission violated the Constitution.

He also pointed out that if Japan participated in the ISAF operation that was dispatched in December 2001, based on a UN Security Council resolution, it would not violate the Constitution, since ISAF was authorized by a UNSC resolution. He then stressed: "I want to bring that about at the time when my party assume the reins of government and is making foreign and security policy."

House of Representatives member Akihisa Nagashima welcomed Ozawa's view, saying:

"His argument is sound. We should prevent the public from seeing us as just opposing everything. In order to show our clear stance toward the war on terror, we should call for ISAF participation."

The DPJ is now compiling its own set of aid measures for Afghanistan. There is a view in the party that logistic support for ISAF should be included in the measures for Afghanistan.

There is also a strong view in the main opposition party that since ISAF missions carry considerable risk, measures should be focused on improvement in the people's livelihoods such as sending in a medical team. The party executives decided yesterday to forgo for the time being a plan to dispatch a parliamentarians' delegation to Afghanistan to find out about the ISAF mission there.

The government and ruling coalition are negative about the SDF's participation in ISAF operations. Gen Nakatani of the ruling Liberal Democratic Party (LDP), a former defense chief, revealed his view that Japan's participation in ISAF missions would not be realistic, saying: "The SDF will not respond to the ISAF mission based on its present equipment and exercises. We base our contributions on the principle of not using armed force."

18) MSDF allocated contracts 80 million yen higher than average price, Board of Audit points out: Nippon Express consigned for goods transportation

ASAHI (Page 34) (Full)
October 4, 2007

Auditing of the Maritime Self-Defense Force (MSDF) by the Board of Audit (BOA) found that it consigned the transportation of goods, such as ammunition, to Nippon Express (Minato Ward, Tokyo), a leading trucking company, at prices higher than the average level. A BOA source that the auditing found contracts that could have been cheaper if better ways for loading and transportation had been worked out. The MSDF reportedly started reviewing the methods of contracts and transportation April this year.

The MSDF has consigned the land transportation of goods, including ammunition and engines, to Nippon Express. It explained that since the transportation of such goods is highly special, it has opted for

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discretionary contracts.

However, according to the BOA, the cost of the transportation of goods with standard volume and weight was higher in contracts between the MSDF and the BOA, compared with average prices given by the Economic Research Association (Chuo Ward, Tokyo), a judicial foundation specializing in research on domestic prices, and the Construction Research Institute (Chuo Ward, Tokyo).

The BOA pointed out that in contracts in which trucks were chartered for the exclusive transportation of MSDF goods, prices could have been lowered if they had been shipped together with goods of other customers. There were also cases in which even the transportation of special goods, such as ammunitions and engines, could have been managed with a fewer number of trucks, if a better loading method

shipment had been worked out. The auditing report also noted that there were cases in which expensive trucks were used even when the transportation distance was over 200 kilometers - cases in which railway container transportation is cheaper.

One BOA official pointed out: "There was an overly strong sense that goods consigned by the MSDF were special. There is room for cost reduction, if a better transportation method is work out."

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